IN THE SPECIFICATION

Please amend the paragraph beginning at page 49, line 16, as follows:

The image data DVout is supplied to a class pixel group cut-out section 711 in the class classification section 71, a prediction pixel group cut-out section 731 in the prediction calculation section 73, and the expanded image output section 74. The class pixel group cut-out section 711 cuts out pixels necessary for class classification (movement class) for the purpose of representing a degree of movement. A pixel group cut out by this class pixel group cut-out section 711 is supplied to a class value determination section 712. The class value determination section 712 calculates an inter-frame difference about pixel data of the pixel group ~~cur~~ cut out by the class pixel group cut-out section 711 and classifies, for example, absolute average values of these inter-frame differences into classes by comparing these average values to a plurality of preset threshold values, thereby determining a class value CL.

Please replace the Abstract at page 63 with the following new Abstract.